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EXCISE

C78

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ACTION ARA-01

INFO LOG-00 CA-02 CIAE-00 OASY-00 DODE-00 HA-09 INM-02  
TEDE-00 INR-00 JUSE-00 L-03 ADS-00 NSAE-00 VO-06  
CORE-00 /023W

-----FB02F1 192326Z /38

R 192137Z OCT 93  
FM AMEMBASSY LA PAZ  
TO SECSTATE WASHDC 2341  
INFO DEAHQS WASHDC  
USIA WASHDC 5870  
AMEMBASSY LIMA  
DIRONDCP WASHDC

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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.  
( ) Release ☒ Excise ( ) Deny ( ) Declassify  
Date 2/22/02 Exemption 1.5d

P - 1.5d

USIA FOR AR; DEA FOR OFL; ONDCP FOR PORTER

E.O. 12356: DECL: OADR  
TAGS: SNAR, KJUS, PGOV, PINR, PREL, CVIS, BL  
SUBJECT: COKE AND BEER: ACCUSER OF MAX RETRACTS

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.  
( ) Classify as ☒ Extend as ( ) Downgrade to conf  
Date 2/22/02 Declassify on 10/19/13 Reason X6

REFS: LA PAZ 4551 AND PREVIOUS

#### SUMMARY

1. (U) ONE OF UCS LEADER MAX FERNANDEZ' ACCUSERS HAS  
RETRACTED HIS ALLEGATION THAT FERNANDEZ IS LINKED TO DRUG  
TRAFFICKING. IN COURT, FORMER CBN BREWERY EMPLOYEE

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MIRANDA LUNA TURNED THE TABLES CHARGING THAT FERNANDEZ'  
MAIN POLITICAL OPPONENT, CONDEPA LEADER CARLOS PALENQUE,  
PAID LUNA TO CLAIM THAT FERNANDEZ' LA PAZ BREWERY HAD A  
COKE LAB IN ITS BASEMENT. THE CHARGES, WHICH RECEIVED  
CONSIDERABLE PRESS PLAY IN THE RUN-UP TO THE JUNE  
ELECTIONS, FORMED PART OF CONDEPA'S FAILED EFFORT TO HAVE  
THE ELECTORAL COURT (CNE) BAR UCS FROM PARTICIPATING IN  
THOSE ELECTIONS (REFTEL).

3. (U) ACCORDING TO THE BOLIVIAN MEDIA OF OCTOBER 16-17,  
ENRIQUE MIRANDA LUNA, WHO ACQUIRED NOTORIETY SIX MONTHS

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AGO BY ACCUSING UCS LEADER MAX FERNANDEZ' LA PAZ-BASED CBN BREWERY OF RUNNING A COCAINE LAB ON ITS PREMISES, HAS RETRICTED HIS CHARGES AGAINST FERNANDEZ AND CBN. THE BREWERY SÜED MIRANDA FOR CRIMINAL LIBEL. PRESS REPORTS INDICATE MIRANDA WAS ARRESTED OCTOBER 15 AND BROUGHT BEFORE A JUDGE TO RESPOND TO CBN'S COMPLAINT. APPARENTLY, DURING THAT PROCESS, MIRANDA, A FORMER CBN EMPLOYEE, RETRACTED HIS STATEMENTS, SAYING HE HAD BEEN PUT UP TO THE STUNT BY CONDEPA LEADER CARLOS PALENQUE AND OTHER CONDEPISTAS, INCLUDING PALENQUE'S WIFE MONICA (NOW A BUDDING CANDIDATE FOR LA PAZ MAYOR). MIRANDA SAID

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PALENQUE, ET AL, OFFERED HIM LARGE SUMS OF MONEY TO SMEAR FERNANDEZ AND CBN IN THE PRE-ELECTION PERIOD. WITH MIRANDA'S RETRACTION, CBN HAS DROPPED ITS LEGAL CASE.

COMMENT: JUST BEER HERE  
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4. (LOU) FERNANDEZ TOLD POLCOUNS AT THE TIME OF THE MIRANDA STORY'S APPEARANCE THAT HE WOULD NOT REST UNTIL HE SHOWED THAT IT WAS FABRICATION BY CONDEPA. MAX APPEARS VINDICATED BY MIRANDA'S RETRACTION.

5. (C) MIRANDA'S ACCUSATIONS AGAINST CBN CAME AT THE SAME TIME THAT PALENQUE WAS TOUTING AN "INVESTIGATION" BY JOURNALIST WILSON GARCIA (BANKROLLED BY FERNANDEZ' MAIN BUSINESS RIVAL, COCHABAMBA BREWER TITO ASBUN) "PROVING" MAX'S NARCO LINKS. THE INVESTIGATION, OF WHICH WE HAVE A COPY, IS A COLLECTION OF PRESS ARTICLES PURPORTING TO SHOW MAX SPENT "TOO MUCH" MONEY ON THE CAMPAIGN, ERGO, HE IS A NARCO. MIRANDA'S CHARGES AND GARCIA'S EFFORT FORMED PART OF AN UNSUCCESSFUL EFFORT BY CONDEPA TO HAVE THE CNE BAR THE UCS FROM PARTICIPATING IN THE JUNE ELECTIONS (REFTEL).

6. (C) MIRANDA'S ACCUSATION OF A COKE LAB IN CBN'S "BASEMENT" WAS DISCREDITED MONTHS AGO BY ONE OF THE RARE EXAMPLES OF LOCAL TV INVESTIGATIVE JOURNALISM: IT SHOWED NO BASEMENT OF THE TYPE DESCRIBED BY MIRANDA EXISTED AT CBN. IN ADDITION, CBN QUICKLY CALLED IN THE "SPECIAL ANTI-NARCOTICS FORCE" (FELCN) TO CONDUCT A SEARCH OF CBN PREMISES, WITH NEGATIVE RESULTS. DESPITE THIS, HOWEVER, CONDEPA SOURCES CONTINUED TO REPEAT THE MIRANDA STORY AND TO EMBELLISH IT.

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